



STATE OF MINNESOTA

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July 12, 1984



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Re: U.S. v. Reilly Tar & Chemical Corp.
File No. Civ. 4-80-469

Dear David, Bob and Deborah:

Enclosed is my July 11, 1984, redraft of the January 26, 1984, Consent Decree which the State and the United States presented to Reilly at the January settlement negotiations. I have prepared this draft for meetings with St. Louis Park that we expect to have sometime next week. It has not yet been reviewed by the other State attorneys or by the PCA staff on the case. We will tell St. Louis Park not to disclose any drafts to Reilly until we get city, state, and federal agreement on the terms (or come to agreement on where we will disagree).

I have worked the following assumptions and objectives into this Consent Decree draft:

1. Both Reilly and St. Louis Park are assumed to be performing some of the remedial actions or contingencies. 1/

1/ The PCA staff is agreeable to St. Louis Park performing the entire remedial program if it is willing to do so. I have some questions, and have raised them on the phone with Wayne Popham, about the City's authority to make a binding agreement concerning expenditures of uncertain amounts many years in the future. This concern is different than David's concern about the problem of enforcement against a municipality but I have added a paragraph relating to that concern (See #2 below). Bob also has some ideas about a performance bond to address that concern.

2. Some assurance of St. Louis Park's performance (beyond its signature to the Consent Decree) will be required by the United States. I have added a new part N to address this concern. However, I think it is most important to evaluate such assurances when we have before us the specific responsibilities of St. Louis Park under a redrafted RAP.
3. Adoption of the language or format from Reilly's June 21 proposal where consistent with state and federal objectives. See in this regard the release language in Part T of my draft following Reilly's suggestion that we utilize the release language in the Hooker-Hyde Park Settlement.

I think the initial step in further negotiations is determining whether St. Louis Park is willing to perform the remedial work assigned it in the Reilly proposal. Without this agreement from St. Louis Park, there would not be a meaningful remedial proposal before us. I will advise you on word from St. Louis Park. I expect that Mike Hansel or Steve Riner will be in touch with Paul Bitter on RAP revisions they are making, including actions assigned to St. Louis Park.

Very truly yours,



STEPHEN SHAKMAN
Special Assistant
Attorney General

SS:mah

Enc.

cc: Michael J. Hansel
Stephen D. Riner
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Lisa R. Tiegel